
Public Utilities Commission of the State of California

Public Agenda 3120

Thursday, October 2, 2003 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

Geoffrey F. Brown

Susan P. Kennedy

Loretta M. Lynch

Carl W. Wood

For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <i>Closed to the Public</i>	<i>Commission Meeting</i> Auditorium (10 a.m.) <i>Open to the Public</i>
Friday, October 10, 2003 (San Francisco)	Thursday, October 02, 2003 (San Francisco)
Monday, October 27, 2003 (San Francisco)	Thursday, October 16, 2003 (San Francisco)
Friday, November 07, 2003 (San Francisco)	Thursday, October 30, 2003 (San Francisco)
Monday, December 01, 2003 (San Francisco)	Thursday, November 13, 2003 (San Francisco)
	Thursday, December 04, 2003 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

Matters of Public Interest

For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.

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PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda.
-

Public Comment:

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Consent Agenda - Orders and Resolutions

- 1 Res TL- 19034**
[2642] Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- 2 Res ALJ 176-3120**
[2643] Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.
- 3 I99-09-001 - Investigation on the Commission's own motion into the operation and practices of Telmatch Telecommunications, Inc. to determine whether it has violated the laws, rules and regulations governing the manner in which California consumers are billed for telecommunication services.**
[2545] This decision approves a reparation plan that compensates California consumers for unauthorized charges that Telmatch Telecommunications, Inc. imposed on consumers' telephone bills. This proceeding is closed.
(Comr Kennedy - ALJ DeUlloa)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.
Agenda 3118, Item 41 9/4/2003 (Staff);
Agenda 3119, Item 42 9/18/2003 (Staff)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156228

Consent Agenda - Orders and Resolutions (continued)

- 4** **A03-02-001 - Zephyr Communications, L.L.C. (Applicant).**
[2605] This decision grants Applicant a certificate of public convenience and necessity under Pub. Util. Code § 1001 to provide local exchange, resold intraLATA and InterLATA telephone service, and hi-speed data services. This proceeding is closed.
 (Comr Brown - ALJ Bemserderfer)
 Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
 Agenda 3119, Item 7 9/18/2003 (Wood)
 http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=151266
- 5** **A02-07-025 - Bakman Water Company (Bakman).**
[2620] This decision grants Bakman an increase in rates for its general rate case for test year 2000, and sets rates under the operating ratio method at a 10% rate of margin. This proceeding is closed.
 (Comr Peevey - ALJ Econome)
 Pub. Util. Code § 311 – This item was mailed for Public Comment.
 Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
 http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156584
- 6** **Res W-4425 - Penngrove Water Company (PWC).**
[2674] This resolution authorizes PWC an increase in annual revenue of \$3,113 or 0.85% to offset an increase in purchased water expense. (Advice Letter 54, filed May 27, 2003)
 http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=154218
- 7** **A03-07-033 - Essex Acquisition Corporation (EAC).**
[2710] EAC seeks Commission authority to acquire the California assets of NOW Communications, Inc., dba NOW Communications of Mississippi, Inc. (NOW). NOW recently filed for reorganization in the U.S. Bankruptcy Court for the Southern District of Mississippi, and the transfer is part of an asset purchase agreement by which EAC acquires certain assets of NOW and its subsidiaries. The application is unopposed and is granted. This proceeding is closed.
 (Comr Brown - ALJ Walker)
 Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
 http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=154124
- 8** **A03-07-006 - ITC^DeltaCom Communications, Inc. dba ITC^DeltaCom (Applicant).**
[2712] This decision grants Applicant's request to transfer stock to new owners. This proceeding is closed.
 (Comr Brown - ALJ Bemserderfer)
 Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
 http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155185

Consent Agenda - Orders and Resolutions (continued)

- 9**
[2714] **A02-11-021 - California Water Service Company (CWS).**
A02-11-022 - Related matters. This decision adopts an all-party settlement agreement that provides for CWS to reduce its Antelope Valley District revenues by \$151,800 and to increase its Kern River Valley District rates by \$183,100 for test year 2003. Changes in revenue are also authorized for test year 2004 and attrition years 2005 and 2006. A02-11-021 and A02-11-022 are closed.
(Comr Wood - ALJ Galvin)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156368
- 10**
[2716] **Res ST-65**
This resolution approves the Consumer Protection and Safety Division's Rail Transit Safety Section final audit report titled, "TRIENNIAL ON-SITE SAFETY AUDIT OF THE SAN DIEGO TROLLEY, INC. (SDTI)," dated August 29, 2003. SDTI is ordered to implement the recommendations contained in the report and to provide monthly progress reports to the Rail Transit Safety Section.
- 11**
[2717] **A02-01-004 - Kerman Telephone Company (Kerman).**
This decision approves an all-party settlement stipulation between Kerman and the Office of Ratepayer Advocates and establishes permanent rates. This proceeding is closed.
(Comr Kennedy - ALJ Evans)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155876
- 12**
[2718] **Res T-16779 - SBC California (SBC)**
This resolution approves an Interconnection Agreement between SBC and DPi Teleconnect, LLC., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 24013, filed July 25, 2003)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155686
- 13**
[2719] **Res T-16778 - Roseville Telephone Company (Roseville)**
This resolution approves an Interconnection Agreement between Roseville and Quality Telephone, Inc., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 817, filed July 3, 2003)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155685

Consent Agenda - Orders and Resolutions (continued)**14 Res ST-64 - Bay Area Rapid Transit District (BART).**

[2721] This resolution approves BART's Safety Certification Plan for the Oakland Airport Connector.

15 A99-08-017 - Sacramento Regional Transit District (District).

[2725] For an order authorizing the District to construct, modify, maintain and operate a light rail passenger system. This decision grants the request of the Sacramento Regional Transit District to modify D00-03-011, A99-08-017. This proceeding is closed.

(Exam Clark)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=154807

16 A01-02-030 - Southern California Edison Company (Edison).

[2727] This decision orders this docket to be closed because the relief sought by the applicant, Southern California Edison Company (Edison), was granted in D03-08-062, which authorized Edison to recover in rates all of the costs that had been booked in the Transmission Revenue Requirement Reclassification Memorandum Account. Ordering Paragraph 3 of D.03-08-062 directed Edison to make a compliance filing with revised tariffs, and Edison did so on September 2, 2003. Now that this compliance filing has been made, no work remains to be done in this docket. This proceeding is closed.

(Comr Lynch - ALJ McKenzie)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155592

17 Res T-16780 - SBC California

[2728] This Resolution approves an Interconnection Agreement between SBC California and Quantum Shift Communications, Inc., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter No. 24033 filed on July 28, 2003.)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155783

18 Res T-16781 - SBC California

[2729] This Resolution approves an Interconnection Agreement between SBC and Applied Technology Group, Inc., in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter No. 23034 filed on July 29, 2003.)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155773

Consent Agenda - Orders and Resolutions (continued)

- 19**
[2734] **A03-07-044 - Southern California Edison Company (SCE).**
This decision grants SCE's application to lease available land under Pub. Util. Code §851. The SCE property consists of a 0.51-acre site located on a portion of SCE's Redondo-La Fresa transmission right of way in the City of Torrance. The Site is part of the Redondo-La Fresa 220-kilovolt system and includes, among others, Commission jurisdictional facilities. The lease is sought to permit Fox Hollow I, LLC to develop and operate a specialty coffee drive-thru business on the Site. This proceeding is closed.
(Comr Kennedy - ALJ Bemederfer)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155142
- 20**
[2739] **A03-04-021 - Sogo Bus Company, LLC (Applicant).**
This decision authorizes Applicant to operate as a passenger stage corporation between Garden Grove, San Gabriel, and Los Angeles, on the one hand, and San Jose, Oakland, and San Francisco, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.
(Exam Clark)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155971
- 21**
[2741] **Res W-4429 - Arrowhead Manor Water Company, Inc. (AMWC).**
This resolution authorizes AMWC an offset rate increase of \$22,975 or 5.8% in additional revenue due to contract work and purchased water costs. (Advice Letter 54-W, filed August 1, 2003)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155637
- 22**
[2742] **Res W-4428 - California American Water Company (Cal-Am), Sacramento District.**
This resolution authorizes Cal-Am, Sacramento District, a surcharge to amortize the balance in purchase power balancing account producing additional annual revenue of \$328,066 or 2.02%. (Advice Letter 578, filed March 17, 2003)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155986
- 23**
[2752] **Res W-4427 - Nacimiento Water Company Inc. (NWC).**
This resolution approves extension of NWC's service area and a contract arrangement addressing specific provisions for handling the procedures outside traditional main extension contract in Tariff Rule No. 15. (Advice Letter 25, filed September 16, 2003)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156262

Consent Agenda - Orders and Resolutions (continued)

24 **R02-06-001 - Order Instituting Rulemaking on policies and practices for advanced metering, demand response, and dynamic pricing.**
[2762]

This decision awards The Utility Reform Network \$86,981 in compensation for its contribution to D03-03-036 and D03-06-032.

(Comr Peevey - ALJ DeUlloa)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155696

25 **R02-11-039 - Rulemaking to implement the provisions of Public Utilities Code § 761.3 enacted by Chapter 19 of the 2001-02 Second Extraordinary Legislative Session.**
[2763]

This order deletes Nexant and Millennium Energy as respondents, and corrects the service list as provided herein.

(Comr Wood - ALJ Mattson)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156084

26 **Res E-3848 - Southern California Edison Company (SCE).**
[2769]

This resolution approves SCE's request for Amendment No. 2 to the Power Purchase Contract between SCE and Ormesa Geothermal and Contract Termination Agreement between Ormesa Geothermal II and SCE. (Advice Letter 1726-E, filed August 1, 2003)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156836

Regular Agenda

Regular Agenda - Energy Orders

- 27**
[1987] **A99-09-006 - Pacific Gas and Electric Company (PG&E).**
The Commission adopts PG&E's estimate of \$65.1 million for the future decommissioning and site remediation of Hunters Point Power Plant. This proceeding is closed.
(Comr Brown - ALJ Patrick)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3112, Item 3 5/8/2003 (Staff);
Agenda 3114, Item H-6 6/5/2003 (Lynch);
Agenda 3116, Item H-2 7/10/2003 (Brown);
Agenda 3117, Item 80 8/21/2003 (Lynch);
Agenda 3119, Item 27 9/18/2003 (Wood)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156124
- 27a**
[2770] **ALTERNATE TO ITEM 1987**
This alternate differs from the proposed decision by making the Hunters Point Power Plant (HPPP) remediation subject to a one-way balancing account, as well as making a few non-substantive edits and revisions. The one-way balancing account is appropriate because: 1) it eliminates any incentive for PG&E to inflate its cost estimates, and 2) PG&E would not have an incentive to cut corners during the cleanup process. The alternate does not differ from the Proposed Decision regarding the adoption of PG&E's decommissioning and remediation cost estimate of \$65.1 million. This proceeding is closed.
(Comr Lynch)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156123
- 28**
[2370] **A02-03-047 - Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E).**
A02-03-048, A02-03-049 - Related matters. This decision grants funding for certain aspects of Low Emission Vehicle Programs, as requested by Southern California Gas Company, San Diego Gas & Electric Company, Southern California Edison Company and Pacific Gas and Electric Company. These proceedings are closed.
(Comr Wood - ALJ Prestidge)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3116, Item 5 7/10/2003 (Kennedy);
Agenda 3117, Item 85 8/21/2003 (Kennedy)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=152067

Regular Agenda - Energy Orders (continued)

28a ALTERNATE TO ITEM 2370

[2732]

This alternate acts on applications by Southern California Gas Company, San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas & Electric Company for funding for the discretionary aspects of their LEV programs. This alternate allows several programs that were disallowed in the proposed decision, contingent upon Advice Letter approval. In addition, it requires the Division of Strategic Planning to prepare a report on the effectiveness of the programs approved by this decision, and submit this report to the state legislature by January 30th, 2004, to meet the requirements of PU Code §740.3(b). These proceedings are closed.
(Comr Lynch)

29 (Rev.) A02-03-020 - Pacific Gas and Electric Company (PG&E).

[2476]

This decision finds that the trust funds are sufficient to pay for the decommissioning of Diablo Canyon Power Plant Units 1 & 2. In addition, this decision sets the annual revenue requirement for Humboldt Bay Power Plant Unit 3 at \$18.450 million. This decision also grants PG&E's request for a revenue requirement of \$8.254 million for Humboldt SAFESTOR O&M. This results in a total revenue requirement of \$26.704 million. This proceeding is closed.
(Comr Brown - ALJ O'Donnell)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3117, Item 89 8/21/2003 (Lynch);

Agenda 3119, Item 28 9/18/2003 (Lynch)

09/30/2003 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156122

29a (Rev.) ALTERNATE TO ITEM 2476

[2771]

This alternate decision finds that the trust funds are sufficient to pay for the decommissioning of Humboldt and Diablo Canyon Power Plant Units 1 & 2. In addition, this alternate also grants PG&E's request for a revenue requirement of \$8.254 million for Humboldt SAFESTOR O&M. This alternate finds that SCE's experience from SONGS 1 allowed SCE to provide LLRW burial costs and contingency factors that are more reasonable, than the estimates provided by PG&E, and therefore adopts SCE's LLRW burial costs of \$72.60 per cubic foot. This alternate finds ORA's methodology for estimating return on equities and fixed assets to be reasonable, and therefore adopts returns of 12.5% and 7.5%, respectively (compared to 10.5% and 6.0% authorized in the PD). In addition, it adopts a contingency factor of 21% for Diablo Canyon and Humboldt. Based on these changes, both Diablo Canyon and Humboldt decommissioning trusts are fully funded. This results in a total revenue requirement of \$8.254 million. This proceeding is closed.
(Comr Lynch)

09/30/2003 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156048

Regular Agenda - Energy Orders (continued)

30 **A02-03-039 - Southern California Edison Company (SCE) and San Diego Gas and Electric Company (SDG&E).**
[2477]

This decision sets the annual nuclear decommissioning revenue requirement for SCE at \$32.848 million. For SGD&E this decision sets the annual revenue requirement at \$6.692 million. In addition, the decision finds the San Onofre Nuclear Generating Station Unit 1 (SONGS 1) decommissioning work completed as of December 31, 2001, (\$91 million) reasonable, finds the utilities' estimate of SONGS 1 remaining decommissioning work (\$531 million) reasonable, and authorizes the utilities to use the tax benefits retained in the non-qualified trust fund for SONGS 1 to fund decommissioning work on that plant. This proceeding is closed.

(Comr Brown - ALJ O'Donnell)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3117, Item 90 8/21/2003 (Lynch);

Agenda 3119, Item 29 9/18/2003 (Lynch)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156732

30a **ALTERNATE TO ITEM 2477**
[2772]

This alternate decision finds that SCE's nuclear decommissioning funds for SONGS 2&3 and Palo Verde, and SDG&E's funds for SONGS 2&3 are sufficient to pay for their eventual decommissioning. The alternate finds that SCE's experience from SONGS 1 allowed SCE to provide LLRW burial costs are more refined, and more reasonable, than the estimates provided by PG&E, and adopts SCE's more reasonable LLRW burial costs of \$72.60 per cubic foot. In addition, it finds ORA's methodology for estimating return on equities and fixed assets to be reasonable, and therefore adopts returns of 12.5% and 7.5%, respectively (compared to 10.5% and 6.0% authorized in the PD). The alternate reaches the same conclusions as the proposed decision regarding the remaining decommissioning at SONGS 1, and the use of tax benefits for the SONGS 1 non-qualified trust. This proceeding is closed.

(Comr Lynch)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156062

Regular Agenda - Energy Orders (continued)

- 31**
[2508] **A00-11-038 - Southern California Edison Company.**
A00-11-056, A00-10-028, C02-02-027, A00-07-013 - Related matters. The rate control period implemented by Public Utilities Code § 368 ended on January 18, 2001. It is unnecessary to complete valuation of utility generation assets for the purpose of deciding the date the rate control period ended. Phase 2 of this rehearing proceeding will determine the extent and disposition of what were formerly known as uneconomic, transition or stranded costs. A00-07-013 (recovery of electric restructuring costs) is consolidated with Phase 2. The proceeding remains open.
(Comr Lynch - ALJ Mattson)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3117, Item 92 8/21/2003 (Staff);
Agenda 3118, Item 29 9/4/2003 (Staff)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156870
- 32**
[2509] **A99-04-024 - Southern California Edison Company.**
This decision is adopting \$15,991,000 in capital additions for non-nuclear plant and finding that \$36,225,000 in capital additions has already been recovered through gain on sale. This proceeding is closed.
(Comr Lynch - ALJ DeBerry)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3117, Item 49 8/21/2003 (Staff);
Agenda 3118, Item 30 9/4/2003 (Staff)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=152529
- 33**
[2611] **R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for Generation Procurement and Renewable Resource Development.**
This decision addresses the San Diego Gas & Electric Company's request that the Commission clarify the status of the Williams Gas Contract.
(Comr Peevey - ALJ Halligan)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3119, Item 32 9/18/2003 (Staff)

Regular Agenda - Energy Orders (continued)

34

[2656]

A00-11-038 - Southern California Edison Company.

For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 - Related matters. This decision addresses the expanded registration of electric service providers (ESPs) as mandated by Assembly Bill (AB) 117. AB 117 requires the registration of all ESPs who offer electric service to customers in California. The decision also solicits comments on whether the ESP's deposit amount is sufficient to cover the reentry fees mentioned in AB 117.

(Comr Lynch - ALJ Wong)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155092

35

[2722]

A02-03-061 - Southern California Gas Company (SoCalGas).

A02-03-062 - Related matters. This decision grants the requests of SoCalGas and San Diego Gas & Electric Company to implement a new service allowing telecommunications carriers and cable TV companies to place fiber optic cable in the utilities' active gas pipelines at tariffed rates, terms and conditions. The decision also certifies the associated program Environmental Impact Report and conditions the new service on mitigation measures as set forth in that report. These proceedings are closed.

(Comr Peevey - ALJ Fukutome)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156700

36

[2726]

A02-11-051 - Pacific Gas and Electric Company

Pacific Gas and Electric Company seeks a permit to construct certain modifications to 12 miles of transmission line between the San Mateo substation and Martin substation south of San Francisco. The Commission has conducted an environmental review and drafted a Mitigated Negative Declaration (MND) that guides construction and analyzes potential risks to the environment posed by the project. This decision approves the MND and authorizes construction of the proposed project known as the San Mateo Martin Conversion Project. This proceeding is closed.

(Comr Lynch - ALJ Malcolm)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156905

Regular Agenda - Energy Orders (continued)

37
[2766] **R03-09-007 - Order Instituting Rulemaking to implement portions of AB 117 concerning community choice aggregation.**

This decision rescinds R03-09-007, opened to implement AB 117, because the order inadvertently includes errors that affect discussion of substantive issues. A new rulemaking will be issued. This proceeding is closed.

(Comr Peevey - ALJ Malcolm)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156929

38
[2767] **R _____ - Order Instituting Rulemaking to implement portions of AB 117 concerning community choice aggregation.**

This order institutes a rulemaking to implement Assembly Bill (AB) 117 (Chapter 838, September 24, 2002). AB 117 added Public Utilities Code Sections 218.3, 331.1, 366.2, 381.1, and 394.25, permitting cities and counties to purchase and sell electricity on behalf of utility customers in their jurisdictions after they have registered with the Commission as "Community Choice Aggregators.) This rulemaking order proposes ways to implement relevant portions of AB 117 and solicits comments from jurisdictional utilities and other parties on those proposals. This order replaces R03-09-007.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156467

39
[2777] **R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.**

This decision addresses Southern California Edison Company's motion for interim authority to hedge qualifying facilities for gas price risk for 2004.

(Comr Peevey - ALJ Walwyn)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Regular Agenda - Energy Resolutions and Written Reports**40**

[2371]

Res E-3835 - Southern California Edison Company (SCE).

This resolution denies SCE's request for approval of revisions to tariff schedules necessary to extend the TOU pricing requirement mandated by AB1X 29 and D01-05-064 to all customers with demand exceeding 200 kW. (Advice Letter 1649-E, filed September 6, 2002)

Agenda 3116, Item E-5 7/10/2003 (Staff);

Agenda 3117, Item 96 8/21/2003 (Staff);

Agenda 3118, Item 35 9/4/2003 (Staff);

Agenda 3119, Item 34 9/18/2003 (Wood)

40a

[2776]

ALTERNATE TO ITEM 2371

This alternate Resolution denies Southern California Edison's request to revise its tariff as requested in Advice Letter 1649-E. It further directs SCE to seek approval of its proposed tariffs in the Commission's rulemaking on demand response (R02-06-001).

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155905

41

[2610]

Res E-3843 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).

PG&E, SCE, SDG&E filed tariff changes to implement the rules governing the rights and obligations of Direct Access (DA) customers to switch between bundled and DA service, as adopted in D03-05-034, the "Switching Order". Approved. (PG&E Advice Letter (AL) 2393-E, SCE AL 1717-E, and SDG&E AL 1508-E, filed June 23, 2003)

Agenda 3119, Item 36 9/18/2003 (Staff)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156819

Regular Agenda - Telecommunication Orders

42 **R01-09-001 - Commission's own motion to assess and revise the new regulatory framework for Pacific Bell and Verizon California Incorporated.** [1866]

I01-09-002 - Related matters. In this decision, the Commission evaluates the service quality of Pacific Bell and Verizon California, Inc. over the period January 1, 1990 through the present. The Commission ordered such a review in D89-10-031, which established the New Regulatory Framework as means of regulating both carriers.

(Comr Kennedy - ALJ Thomas)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3111, Item 1 4/17/2003 (Kennedy);

Agenda 3114, Item H-3 6/5/2003 (Peevey);

Agenda 3116, Item H-1 7/10/2003 (Peevey);

Agenda 3117, Item 101 8/21/2003 (Staff);

Agenda 3118, Item 37 9/4/2003 (Kennedy);

Agenda 3119, Item 37 9/18/2003 (Brown)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156005

42a **ALTERNATE TO ITEM 1866** [2366]

This alternate finds that under the New Regulatory Framework (NRF), Verizon has provided excellent customer service. Pacific Bell has provided generally good service, but several of its operations suffer from poor service quality. The alternate reaches these conclusions through a statistical examination of the direct measures of service quality provided by Pacific Bell and Verizon to this Commission and to the FCC. The alternate further finds that Verizon and Pacific Bell developed different service quality records during the NRF period, but that both show an improving trend in service quality. This evidence casts doubt on the proposition that NRF systematically decreases the quality of customer service.

(Comr Kennedy, Comr Peevey)

Agenda 3116, Item H-1a 7/10/2003 (Peevey);

Agenda 3117, Item 101a 8/21/2003 (Staff);

Agenda 3118, Item 37a 9/4/2003 (Kennedy);

Agenda 3119, Item 37a 9/18/2003 (Brown)

Regular Agenda - Telecommunication Orders (continued)

42b ALTERNATE TO ITEM 1866

[2677]

This alternate finds that, under the New Regulatory Framework (NRF), Verizon provided generally improving service that compared favorably with other large carriers on most measures, with just a few areas of weakness. Pacific Bell's service was stable for the majority of measures we studied and compared favorably to other large carriers on many measures, but Pacific's service exhibited several important areas of weakness, especially for residential customers. The alternate finds that there is insufficient evidence to establish whether NRF caused either positive or negative changes in service quality.

(Comr Lynch, Comr Wood)

Agenda 3119, Item 37b 9/18/2003 (Brown)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155387

**43 C99-01-039 - The Greenlining Institute, Latino Issues Forum vs. Pacific Bell, Pacific Bell
Information Services.**

[2180]

This decision denies the petition to modify D03-03-022 by the Greenlining Institute. This proceeding is closed.

(Comr Wood - ALJ Vieth)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.

Agenda 3114, Item CA-10 6/5/2003 (Peevey);

Agenda 3116, Item CA-4 7/10/2003 (Peevey);

Agenda 3118, Item 38 9/4/2003 (Kennedy);

Agenda 3119, Item 38 9/18/2003 (Kennedy)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156120

43a ALTERNATE TO ITEM 2180

[2723]

This alternate decision grants Greenlining's petition, and increases our prior award to G/LIF by \$53,796 based on comparable training and experience for the attorneys and experts involved in this proceeding and our award to Disability Rights Advocates in D.03-01-075. In addition, the ALJ Division is directed to report back to the Commission by December 30, 2003 on creating a process for setting intervenor attorney hourly rates and expert fees annually on a prospective basis in order to avoid the inequitable awards noted in this proceeding, and to propose a fair and feasible approach for handling similar pending requests from Greenlining for adjustment of prior awards.

(Comr Kennedy, Comr Peevey)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156749

Regular Agenda - Telecommunication Orders (continued)

- 44** **I00-11-052 - Investigation on the Commission's own motion into the operations, practices, and conduct of Qwest Communications Corporation (Qwest) and its wholly owned subsidiary, LCI International Telecommunications Corporation, dba Qwest Communications Services (LCIT), to determine whether Qwest and LCIT have violated the laws, rules and regulations governing the manner in which California consumers are switched from one long distance carrier to another and billed for long distance telephone services.**

[2305]

This decision denies the Greenlining Institute and Latino Issues Forum's petition to modify D03-04-050 to increase their intervenor compensation award. This proceeding is closed.

(Comr Wood - ALJ Econome)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.

Agenda 3116, Item 1 7/10/2003 (Peevey);

Agenda 3118, Item 39 9/4/2003 (Kennedy);

Agenda 3119, Item 39 9/18/2003 (Kennedy)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=149021

- 44a** **ALTERNATE TO ITEM 2305**

[2773]

This alternate decision grants Greenlining's petition to modify, and increases our award to G/LIF by \$15,313.78 based on comparable training and experience for the attorneys and experts involved in this proceeding, and our award to Disability Rights Advocates in D.03-01-075. In addition, the ALJ Division is directed to report back to the Commission by December 30, 2003 on creating a process for setting intervenor attorney hourly rates and expert fees annually on a prospective basis in order to avoid the inequitable awards noted in this proceeding, and to propose a fair and feasible approach for handling similar pending requests from Greenlining for adjustment of prior awards.

(Comr Kennedy, Comr Peevey)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156796

Regular Agenda - Telecommunication Orders (continued)

45

[2513]

R00-02-004 - Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and consumer protection rules applicable to all telecommunications utilities.

The Commission adopts General Order No. ###, Rules Governing Telecommunications Consumer Protection, applicable to all Commission-regulated telecommunications utilities. G.O. ### sets forth: in Part 1, a telecommunications consumers' Bill of Rights; in Part 2, a set of Consumer Protection Rules all carriers must follow to protect those rights; in Part 3, Rules Governing Billing for Non-communications-Related Charges; and in Part 4, Rules Governing Slamming Complaints. The proceeding remains open to consider changes to the current limitation of liability provisions, rules protecting non-English speaking consumers, and a telecommunications consumer education program. (Comr Wood - ALJ McVicar)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

Agenda 3119, Item 40 9/18/2003 (Staff)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156257

46

[2571]

A99-03-025 - Roseville Telephone Company (Roseville).

On May 3, 2002, Roseville filed a petition to modify D01-06-077. Specifically, it asks to remove the requirement to share 50% of its earnings between the benchmark rate of return and the ceiling rate of return. This decision denies the petition and also requires Roseville to file for its next NRF review no later than 90 days after a final decision in Rulemaking 01-09-001 and Investigation 01-09-002, the NRF reviews for Pacific Bell Telephone Company and Verizon California Incorporated. This proceeding is closed.

(Comr Lynch - ALJ O'Donnell)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3118, Item 42 9/4/2003 (Kennedy)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155467

Regular Agenda - Telecommunication Resolutions and Reports**47****Res T-16776 - INFO LINE of Los Angeles (INFO LINE).**

[2640]

This resolution grants the application of INFO LINE to use the 2-1-1 dialing code for health and human services information and referral service in Los Angeles County. It orders the Commission to request comments on whether to modify D03-02-029 to require endorsement of the county's board of supervisors as part of future 2-1-1 applications, and on whether the Commission should be involved in handling potential complaints regarding service provided by a 2-1-1 information and referral provider.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155897

Regular Agenda - Water/Sewer Orders**48**

[2368]

A02-11-057 - Point Arena Water Works, Inc.

For an order authorizing a rate increase in rates subject to refund producing additional annual revenues of \$70,137 or 56.9% for the test year 2002. This interim decision determines that 1995 tax refunds will not be included in the scope of this 2002 test year general rate case.

(Comr Wood - ALJ Bushey)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3116, Item CA-16 7/10/2003 (Staff);

Agenda 3117, Item 5 8/21/2003 (Lynch);

Agenda 3118, Item 44 9/4/2003 (Lynch)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155248

48a

[2768]

ALTERNATE TO ITEM 2368

This alternate grants the City of Point Arena an opportunity to have an evidentiary hearing regarding the accounting and ratemaking treatment of income tax refunds.

(Comr Lynch)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=156126

Regular Agenda - Legal Division Matters

49

FCC Docket No. 99-200.

[2775]

Consideration of Filing by CPUC of Petition for Authority to Implement a Specialized Overlay, in FCC Docket 99-200, In the Matter of Numbering Resources Optimization.

Regular Agenda - Commissioner's Reports

50

Commissioners' Report

[2644]

Miscellaneous Commissioners' reports.

51

Commissioner Lynch Report

[2778]

Discussion of, and possible action on, the Wall Street Journal's July 23, 2003 Public Records Act request for documents pertaining to the Mountainview Project proposed by Southern California Edison.

Regular Agenda - Management Reports and Resolutions

52

Management Reports

[2645]

Miscellaneous Management reports.

53

Executive Director William Ahern Report

[2774]

Discussion and possible action on budget item regarding funding of National Regulatory Research Institute.

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the disclosures required by Government Code Sections 11125.2 and 11126.3(f).

Closed Session - Non-Federal Items

- 54** **Conference with Legal Counsel - Application for Rehearing**
 [2646] Compilation of applications for rehearing recently filed with the Commission.
 Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.
- 55** **Conference with Legal Counsel - Threatened Litigation**
 [2647] Significant exposure to litigation.
 Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session.
- 56** **Conference with Legal Counsel - Initiation of Litigation**
 [2648] Consideration of possible Commission initiation of, or intervention in, litigation.
 Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.
- 57** **Personnel Matters**
 [2649] Consideration of appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee.
 Gov. Code § 11126(a), allows this item to be considered in Closed Session.
- 58** **I00-11-001 - Conference with Legal Counsel – Application for rehearing**
 [2663] Order disposing of application for rehearing of D03-07-033 filed by Southern California Edison Company (SoCal Edison). In D03-07-033, the Commission adopted a framework for implementing Public Utilities Code section 399.25. Section 399.25, which was enacted as part of SB 1078, addresses new or upgraded electric transmission facilities that may be necessary to increase California's use of renewable energy resources, and the future ratemaking treatment of the costs associated with those facilities.
 Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

Closed Session - Non-Federal Items (continued)

- 59** **A02-06-019 - Conference with Legal Counsel – Application for Rehearing**
[2715] Disposes of the application of Pacific Gas and Electric Company (PG&E) for rehearing of D03-03-034. D03-03-034 denied the request of PG&E for authorization to increase rates charged for electricity and natural gas to offset attrition in rate of return resulting from increased spending on distributional capacity. The Commission explained that too much time has passed since 1999 when it has reviewed PG&E's costs to allow the information developed then to be used now to set new rates. *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*
- 60** **R01-10-024 - Conference with Legal Counsel - Application for Rehearing**
[2720] Disposition of application for rehearing of D03-02-072 filed by Pacific Gas & Electric Company (PG&E). D03-02-072 responds to a memorandum from the California Department of Water Resources that the Commission consider modifying D02-09-053 by adding four biomass contracts and allocating these additional contracts among one or more of the three utilities. In D03-02-072, the Commission modified D02-09-053 to add the four biomass contracts and allocated three contracts, totaling 40 MW, to PG&E and one contract, totaling 8 MW, to Southern California Edison Company. *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*
- 61** **A00-11-038 - Conference with Legal Counsel – Application for Rehearing**
[2735] A00-11-056, A00-10-028 - Related matters. Disposition of application for rehearing of D03-09-017 filed by Pacific Gas and Electric Company (PG&E). D03-09-017 directed PG&E to remit to the California Department of Water Resources (DWR) the Commission-approved DWR power charge for all of the energy that DWR supplied to PG&E's service territory which was purportedly used to meet PG&E's WAPA load obligations during the period from January 17, 2001 to the present. D03-09-017 further held that PG&E's shareholders shall pay interest on the above amount as determined in a future Commission decision. *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*
- 62** **C88-03-016 - Conference with Legal Counsel – Application for Rehearing**
[2736] Order disposing of application for rehearing of D03-01-042 filed by the City of St. Helena (St. Helena). D03-01-042 granted an application for rehearing filed by Napa Valley Wine Train, Inc. (Wine Train) and reversed D01-06-034, which had, in turn, modified 1996 decisions concerning the Wine Train. In D01-06-034, the Commission had concluded that the Wine Train's passenger excursion service does not constitute regulated transportation and that, in providing such service, the Wine Train is not functioning as a public utility. In D03-01-042, the Commission reversed that determination and concluded that there was no support in the record for modifying the 1996 decisions regarding the public utility status of the Wine Train. *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*

Closed Session - Non-Federal Items (continued)

63

[2737]

C99-01-020 - Conference with Legal Counsel – Application for Rehearing

Order disposing of application for rehearing of D99-08-018 filed by the City of St. Helena (St. Helena). D99-08-018 dismissed a complaint filed by St. Helena against the Napa Valley Wine Train, Inc. (Wine Train) and denied St. Helena's motion for an order to show cause. The complaint, which involved the public utility status of the Wine Train, was dismissed on the ground that it failed to state a cause of action under Public Utilities Code section 1702.

Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

64

[2743]

A99-12-025 - Conference with Legal Counsel – Application for Rehearing

Disposition of the application for rehearing of D01-11-048 and D03-06-033 filed by the Sierra Club. D03-06-033 denied Sierra Club's Petition for Modification of D01-11-048, which approved Valencia Water Company's 1999 Water Management Program and Advice Letters 88 and 90, requesting permission to expand its service area.

Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

Closed Session - Federal Items**65 Conference with Legal Counsel - Initiation of Litigation**

[2659] Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings.

Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.

66 Case No. 01 30923 DM - Conference with Legal Counsel - Existing Litigation

[2668] Pacific Gas and Electric Company (Debtor), United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 01 30923 DM.

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.

67 Case No. 01-56879, DC. No. CV-00-12056-RSWL - Conference with Counsel - Existing Litigation

[2669]

Southern California Edison v. Lynch, et al., United States Court of Appeal for the Ninth Circuit, Case No. 01-56879, DC. No. CV-00-12056-RSWL.

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.

68 Case No. C01-3023 VRW - Conference with Legal Counsel - Existing Litigation

[2670]

Pacific Gas and Electric Company v. Lynch, et al., United States District Court for the Northern District of California, San Francisco Division, Case No. C01-3023 VRW.

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.

69 FERC Docket No. RP00-241-006 - Conference with Legal Counsel – Existing Litigation

[2671]

Public Utilities Commission of the State of California v. El Paso Natural Gas Company, et al.

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.

70 FERC Docket No. EL00-95-000 - Conference with Legal Counsel – Existing Litigation

[2672]

San Diego Gas & Electric Co., EL00-95-000.

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.

71 FERC No. ER03-409-000 - Conference with Legal Counsel - Existing Litigation

[2765]

FERC No. ER03-666-000 - Related matters. Pacific Gas and Electric Company, FERC Nos. ER03-409-000; ER03-666-000.

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.